




## BAM Disclosure Brochure

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September 1, 2016





This Brochure provides information about the qualifications and business practices of BAM Advisor Services, LLC ("BAM"). If you have any questions about the contents of this Brochure, please contact us at (314) 725-0455. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

BAM is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provide you with information about which you determine to hire or retain an advisor.

Additional information about BAM also is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for BAM 143319.



## Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The most recent update of our brochure was September 1, 2016 and contained the following material changes:

- Item 14 has been updated to disclose additional economic benefits for BAM from custodians.

Our most recent Annual Updating Amendment was filed on March 29, 2016.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting a member of our compliance department at (314) 725-0455.



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## Item 4 – Advisory Business

BAM has been providing services since 1997. As of June 30, 2016 BAM had \$3.86 billion of regulatory assets under management through its role as fixed income sub-advisor to the independent registered investment advisory firms it supports. In addition, BAM provides administrative, back-office and retirement plan services to \$14.09 billion of assets managed by the independent firms who hire BAM for its services, which are detailed below. The total number of assets under management or administration was \$17.95 billion.

BAM is a wholly-owned subsidiary of Focus Operating, LLC (a wholly-owned subsidiary of Focus Financial Partners, LLC) and is affiliated through both common ownership and control with Buckingham Asset Management, LLC (Buckingham), also a registered investment advisor and BAM Risk Management, LLC (BAM RM), a licensed insurance agency. For more information, please see “Item 10 – Other Financial Industry Activities and Affiliations.”

BAM primarily provides turnkey asset management services to independent registered investment advisors (investment advisors). BAM's "back-office services" include marketing, administration, support and investment advice to investment advisors throughout the country. BAM's objective is to provide resources to advisors who understand and practice the tenets of Modern Portfolio Theory (MPT). BAM's turnkey asset management services allow advisors to devote their time to building a financial advisory practice while outsourcing the back-office operations.

BAM also provides fixed income sub-advisory services to investment advisors and their clients. BAM provides fixed income investment allocation recommendations and management services to the registered investment advisors for their clients. Through the investment advisor's investment advisory agreements with their clients, BAM is granted the discretionary authority to select fixed income securities for clients based on the asset allocation provided by the investment advisor and client.

Investors receive this ADV based upon their decision to engage their independent registered investment advisor to manage a portfolio consisting of fixed income securities and their advisor's decision to use BAM as a fixed income sub-advisor, exercising limited investment discretion over the investor's account for fixed income management. Investment advisors receive this ADV based upon their decision to contract with BAM for turnkey asset management and fixed income sub-advisory services for their firms.

### No Legal or Accounting Advice

While associates of Buckingham, an affiliate of BAM, may be licensed attorneys or accountants, Buckingham does not provide any legal or accounting advice. Clients should seek the counsel of a qualified attorney and/or accountant when necessary.

### Turnkey Asset Management Services

BAM assists independent registered investment advisors who provide portfolio management and employee benefit retirement services to investors. BAM educates investment advisors on the principles and tenets of MPT as a methodology for structuring investment portfolios with long-term investment goals. BAM also provides investment advisors with model investment portfolios which demonstrate the historical risk and return results of multiple asset




class allocations to investors and that investment advisors may use as starting points to manage investment accounts.

On an ongoing basis, BAM will recommend to investment advisors appropriate investments, including the allocations to various asset classes for the investment advisor's consideration based on its market research. BAM's advisory services are designed to educate investment advisors on how to offer long-term investment solutions through appropriate asset allocations.

BAM primarily recommends that investment advisors use passively managed mutual funds. Mutual funds that follow a passive investment philosophy generally have low holdings turnover. BAM will also provide advice to investment advisors regarding various other securities, including, but not limited to, exchange traded funds (ETFs), equity securities (stocks), corporate debt securities, certificates of deposit, variable investment company products and municipal/government bonds.

In conjunction with BAM's advisory services, BAM provides comprehensive back-office support to investment advisors, which includes, but is not limited to:

1. Administrative assistance with independent qualified custodians to open and maintain investment advisor master accounts and to assist with investment advisor's client accounts, including supplying investment advisor with all custodial documentation required for clients of the investment advisor to open and maintain accounts.
2. Maintain daily buy/sell and monthly account statement reconciliation with custodian on investment advisor's client accounts.
3. Coordinate with broker-dealers and custodians on individual investment advisor's client situations.
4. Provide customized quarterly statements prepared by BAM, organized by asset class, to assist investment advisor in account rebalancing.
5. Provide investment advisor with online access to various portfolio management and performance reports to allow for investment advisor to manage client accounts.
6. Provide model Investment Policy Statement Questionnaire and Template, with updates as appropriate.
7. Provide investment advisor's client agreement template (which should be reviewed by local legal counsel prior to use)
8. Assist investment advisor in providing investment advisor's clients with access to passively managed mutual funds available to investment advisors but not generally available to the public.
9. Transmit to broker-dealer/custodians selected by investment advisor's clients all buy/sell orders provided by investment advisor for investment advisor's client accounts.

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10. Provide trading cost and fee structure with authorized broker-dealer/custodian(s) that takes advantage of BAM's collective arrangements.
  11. Collect and remit net fees (gross fees minus fees due BAM from investment advisor) to investment advisor. Investment advisors establish their own fee rates and break points with their clients that shall generally be charged in advance and based on the aggregate account size. Special fee payment structures with investment advisor's clients will be strictly limited and subject to BAM's approval.
  12. Provide investment advisors with simulated strategies to assist investment advisor in demonstrating to investment advisor's clients' historical risk and return results of multiple asset class allocations. Investment advisor will determine with its clients what allocation is appropriate for each client and what investment vehicles will be used. Allocations are subject to investment advisor's commitment to advise their clients consistent with the tenets of MPT and passive asset allocation.
  13. Provide investment advisor with marketing support in the form of presentation materials templates (including speaker notes), quarterly client newsletters and other materials available in multiple formats.
  14. Provide investment advisor with quarterly newsletter template for distribution to their clients (covering timely investment, tax, financial and estate planning topics), which investment advisor may customize and reproduce.
  15. Provide regular information on aspects of MPT and passive investing.
  16. Provide training in the application of MPT and passive investing for investment advisor and in the technology provided by BAM. Training will take place at sites designated by BAM from time to time and may be subject to additional charges. The cost of transportation and accommodations in St. Louis shall be the expense of the investment advisor.
  17. Provide consultation to investment advisor, including portfolio analysis for both fixed income and equity portfolios.
  18. BAM will seek to identify outside providers of key strategic services and make such providers known to investment advisors.

BAM has identified certain retirement plan service providers (RPSPs), whose services include recordkeeping, compliance, custody, participant education, plan set up or conversion and access to passive vehicles. BAM has and will continue to work with RPSPs to offer a package of services that meets investment advisor's needs for qualified retirement plans. BAM will, on an ongoing basis, provide training to investment advisor on using RPSPs' service packages, act as the liaison between investment advisor and RPSPs, collect fees for investment advisor (where authority is granted) and provide periodic accounting of assets under advisement in retirement plans set up with RPSPs through BAM.



### **BAM Retirement Solutions Services**

BAM provides 3(38) investment management and advisory consulting services to participant-directed pension and profit sharing plans. BAM constructs, maintains and recommends managed portfolios to retirement plan participants as a fiduciary to these plans. BAM coordinates these services with other independent investment advisors to which BAM may provide the back-office services described above. However, not being a back-office client of BAM does not preclude a plan from using the BAM Retirement Solutions platform.

These managed portfolios generally include multiple asset categories of mutual funds managed by fund companies. BAM shall select, monitor and change funds in the managed portfolios from time to time as determined by BAM in its discretion. Plan participants can select either the managed portfolios or construct their own customized portfolio from the funds made available within the plan. BAM will have discretion over the funds to be made available in the plan at any given time. The independent advisors with which BAM coordinates clients' services will discuss plan investments and fiduciary obligations with the plan sponsor or trustee as a part of this multi-party service.

Plan representatives establish a relationship with an independent, qualified recordkeeper. BAM, from time to time, directs that recordkeeper to rebalance the accounts to the extent necessary to comply with the current allocation of BAM's managed portfolios.


BAM's fee for BAM Retirement Solutions does not include any brokerage commissions, custodial, administrative or recordkeeping fees or other expenses incurred by the Plan and/or Plan Participants. BAM's fee is also separate and distinct from any fees charged by other Investment Advisors. BAM is authorized in its agreement with the Plan to deduct the fee directly from the Plan's custodial account.

### **Fixed Income Sub-Advisory Services**

BAM will provide additional specific fixed income sub-advisory services related to fixed income accounts of investment advisor's clients. If the investment advisor and client agree to include an allocation of fixed income securities, investment advisor may retain BAM as a sub-advisor to their client's account. BAM may consult with investment advisor and its client in the preparation of a Fixed Income Investment Policy Statement allocating certain client assets to a fixed income portfolio. BAM will have discretionary authority to manage the fixed income allocation, but will not have any authority or discretion to move any investment advisor's client assets to the fixed income portfolio allocation.

If investment advisor and client agree to allocate assets to a fixed income portfolio, their client must grant investment advisor with discretionary authority to retain BAM as a sub-advisor of such portfolio and authorize BAM to manage such portfolio.

BAM requires discretion from investment advisor to purchase investment grade fixed income securities pursuant to their client's Fixed Income Investment Policy Statement. BAM will thereafter monitor the client's fixed income portfolio for changes in call provisions, maturities, credit quality and tax-loss harvesting (only for securities purchased by BAM or for which BAM is provided cost basis and trade date).



Based on its portfolio monitoring, BAM may recommend the sale of securities within the fixed income portfolio to investment advisor, and will act upon instructions of investment advisor regarding sales. Also at the instruction of the investment advisor, BAM may purchase additional securities to replace sold or called securities or if new account deposits are made by client.

BAM regularly monitors credit ratings of client account holdings as reported by credit rating companies. BAM may, at its discretion and in working with the investment advisor, maintain or sell securities based on transaction costs and other investment considerations. It is BAM's policy to hold most, but not all, fixed income assets in client portfolios until maturity absent a material change in credit quality or other investment decisions, such as tax-loss harvesting opportunities.

Additionally, BAM may purchase certificates of deposit (CDs). For clients holding CDs, BAM has regular credit surveillance of the banking institution as well as regularly monitors the total CD positions to ensure principal invested in CDs does not exceed FDIC insurance limits. For accounts linked by the same tax-payer identification number, BAM examines CD positions within accounts under BAM's management to look for violations of FDIC insurance limits on principal invested in CDs. BAM does not monitor for CD positions not under BAM's management or within accounts regarding which BAM does not receive information. If clients hold CD positions at custodians that do not report to BAM, it is the clients' duty to inform their investment advisor.

## **Item 5 – Fees and Compensation**


### **Organizational Oversight**

Buckingham has instituted various levels of oversight to ensure its professionals adhere to the firm's policies and procedures and standards of business conduct. The firm's Executive Committee, a subset of the firm's Board of Managers, manages and supervises the business operations of the firm and oversees all aspects of the business. The current members of the Executive Committee are: Adam Birenbaum, Shannon O'Toole Kuhlman, David Levin, Jeff Remming and Al Sears. The firm's Investment Policy Committee oversees the investment advice being provided Clients and is responsible for guiding the firm's investment philosophy, approving or recommending specific investments and ensuring that investment decisions are consistent with firm's research and strategy. The current members of the Investment Policy Committee are: Ed Goldberg, Kevin Grogan, Brian Haywood, Jared Kizer (chairman), Kristin Poole, Larry Swedroe, Manisha Thakor and Brent Thomas.

### **Turnkey Asset Management Services & Fixed Income Sub-Advisory Services**

The fee charged by BAM for its comprehensive turnkey asset management services and fixed income sub advisory services is based on the total assets of the investment advisor's client accounts using BAM's services, generally according to the following schedule:

Investment Advisor's Gross Quarterly Fees	BAM's Fee is Equal to:
On the first \$50,000	40%
On the next \$200,000	30%
On all amounts thereafter	20%



Should the investment advisor discount a fee to a Client by greater than twenty percent (20%) from its standard fee schedule, BAM shall have a right to impose a minimum fee on Investment Advisor equal to the lesser of 35 basis point on of the entire billable account value or the amount BAM would have received were Investment Advisor to charge the Client according to its standard fee schedule, calculated using the lowest current achieved percentage tier shown above.

A surcharge to the investment advisor will be charged on accounts of its clients that are held with a custodian for which BAM cannot download account information electronically or otherwise requires manual data entry. BAM also reserves the right to charge differently on accounts with circumstances requiring unusual servicing efforts.

BAM may charge the investment advisor a lower percentage of the investment advisor's client fees than the above fee schedule if the investment advisor signs a longer-term service agreement with BAM or if the investment advisor brings significant assets to BAM's platform.

Investment advisor will provide BAM with authority to directly debit investment advisor's client fees at the start of each quarter, deduct its own fee as described above and forward the remaining fees to investment advisor. Investment advisor will request authority from their clients to receive quarterly payments directly from the client's account held by an independent custodian, and investment advisor will assign this authority to BAM. Each quarter, for certain investment advisors, BAM will prepare for each of the investment advisor's clients an invoice showing the amount of the fee, the value of the investment advisor's clients' assets on which the fee was based and the specific manner in which the fee was calculated. These investment advisors must review and forward these invoices to their clients.

Fees are invoiced in advance, at the beginning of each calendar quarter, based upon the value (market value or fair market value based on independent third party sources or fair market value in the absence of market value; client account balances on which BAM calculates fees may vary from account custodial statements based on independent asset valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the investment advisor's clients' accounts at the end of the previous quarter.

New accounts are charged a pro-rated fee for the remainder of the quarter in which the account is incepted (typically the date of first trade by investment advisor).

Generally, service agreements between BAM and the investment advisor may be terminated for any reason and by either party with one hundred and eighty (180) days written notice. Longer term contracts will have different termination provisions. Immediate termination may be effected by either party because of the other party's insolvency, failure to pay fees, default or breach of agreement, or conviction of affiliated persons of any felony, crime involving dishonesty, or a violation of securities laws. These provisions are more fully set forth in the parties' service agreement.

BAM may also provide investment advisor with a portfolio analysis of any investment advisor's client fixed income securities holdings (generally for portfolios of not less than \$500,000) that are not managed by BAM. BAM will provide an analysis of holdings' credit quality, sector evaluations, call features, maturity schedules and other pertinent data.



## **BAM Retirement Solutions Services**

For BAM Retirement Solutions services, the fee schedule to the plan for BAM's 3(38) investment management service is as follows:

Assets Under Advisement	Annual Fee
On the first \$1,000,000	0.30%
On the next \$4,000,000	0.20%
On the next \$5,000,000	0.15%
On all amounts thereafter	0.10%

Investment Advisors using BAM's full-service turnkey asset management offering may receive discounted pricing from the above fee schedule.

Like BAM's other services, fees are paid quarterly in advance. Fees charged by Investment Advisors for 401(k) services are separate and distinct from BAM's fees for 3(38) investment management services.

## **Additional Information**

All fees paid to BAM are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. BAM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by investors. Investors may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to BAM's fee, and BAM shall not receive any portion of these commissions, fees, and costs. See Item 12 for further information related to brokerage practices.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

BAM does not charge performance based fees (on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of a client).

## **Item 7 – Types of Clients**

As disclosed above, BAM provides turnkey asset management services to independent registered investment advisors as well as provides fixed income sub-advisory services to investment advisor clients, which may include individuals, pension plans, charities and endowments, and other businesses. BAM also provides BAM Retirement Solutions services to qualified retirements plans.

BAM typically suggests, but does not always require, a minimum account size of \$500,000 for discretionary individual fixed income management services.



## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

BAM's turnkey asset management services are provided to independent registered investment advisors.

These independent investment advisors are responsible for recommendations and/or selection of all investments on behalf of investors, except where investment advisors have retained BAM, or its affiliate Buckingham, for specific monitoring and management of fixed income accounts as described above.

When using BAM's back-office services, BAM requires, as a general rule, that investment advisors must agree to follow the principles of MPT and its implementation through passive investment vehicles as the appropriate methodology for structuring investor client portfolios.

BAM's services are based on long-term investment strategies incorporating the principles of MPT. BAM's investment approach is firmly rooted in the belief that markets are "efficient" and that investors' returns are determined principally by asset allocation decisions, rather than market timing or stock picking.

BAM recommends diversified portfolios, principally through the use of passively managed mutual funds available only to institutional investors and clients of select investment advisors.


Although all investments involve risk, BAM's investment recommendations seek to limit risk through broad global diversification and investments in conservative fixed income securities. BAM's investment philosophy is designed for investors who desire a buy and hold strategy, with a minimum of five year investment time horizon, and preferably ten years or more. BAM's philosophy seeks to minimize frequent trading of securities which results in increased brokerage and other transaction costs. Investors who do not commit to a MPT philosophy may not achieve desired long-term results..

### Risk of Loss

#### **Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, exchange-traded funds (ETFs) and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs recommended by BAM may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodity futures. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.



Among the more risky mutual funds used in BAM's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds recommended by BAM may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses within each applicable sector.

**Equity Securities Risk.** Equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) could decline in value if the issuer's financial condition declines or in response to overall market and economic conditions. A fund's principal market segment(s), such as large cap, mid cap or small cap stocks, or growth or value stocks, may underperform other market segments or the equity markets as a whole. Investments in smaller companies and mid-size companies may involve greater risk and price volatility than investments in larger, more mature companies.

**Fixed-Income Securities Risk.** Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed-income securities generally declines when interest rates rise, and an issuer of fixed-income securities could default on its payment obligations.

**Asset Allocation Risk.** A fund's selection and weighting of asset classes and/or underlying funds may cause it to underperform other funds with a similar investment objective.

## **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BAM or the integrity of BAM's management. BAM has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

BAM is a wholly-owned subsidiary of Focus Operating, LLC (a wholly-owned subsidiary of Focus Financial Partners, LLC) and is affiliated through both common ownership and control with Buckingham Asset Management, LLC (Buckingham), also a registered investment advisor and BAM Risk Management, LLC (BAM RM), a licensed insurance agency. The officers of BAM are also officers of these companies. Officers of BAM may also participate in other private businesses involving commercial real estate and other private investments, which have no material relationship to BAM and its services. The officers of BAM spend virtually all of their business time on the related activities of BAM and Buckingham. The activities of BAM RM are managed by a small number of BAM's officers and Buckingham's employees.



### **Focus Operating, LLC**

Focus Operating, LLC is a wholly-owned subsidiary of Focus Financial Partners, LLC (Focus). Focus also owns other registered investment advisors, broker-dealers, pension consultants, insurance firms and other financial services firms (the Focus Affiliates). The Focus Affiliates provide wealth management and benefits and investment consulting services, serving individuals, families, employers and institutions. Some Focus Affiliates also manage or advise limited partnerships, private funds or limited liability companies as disclosed on their respective Form ADVs.

The Focus Affiliates do not share client information amongst each other without prior client consent and management of the other Focus Affiliates is not involved in the management of BAM. Additional information about Focus can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

Periodically Focus holds Focus Affiliates meetings and conferences, which typically include external attendees. These meetings provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus Affiliates, including BAM, and facilitate access to discuss ideas, products and services. This could be deemed a conflict: the marketing and education activities conducted, and the access granted, at such meetings and conferences may lead advisors to focus on those conference sponsors in the course of their duties. Focus attempts to mitigate any such conflict by having the fees only go towards defraying the cost of such meeting or future meetings and not as revenue for itself or any affiliate. Conference sponsorship fees are not dependent on assets placed with any specific provider, or the revenue generated by asset placement. BAM endeavors at all times to put the interest of the clients first as part of Buckingham's fiduciary duty.

### **Buckingham Asset Management, LLC**

Buckingham Asset Management, LLC (Buckingham) is an investment advisor registered with the Securities and Exchange Commission. Buckingham offers wealth management services and employee benefit retirement plan services to investors following the same tenets, policies and procedures that are made available to independent investment advisors to which BAM provides back-office services. Buckingham began providing investment management services in 1994. The principals of Buckingham established BAM under the premise that its own back-office support services could be efficiently consolidated and offered to other financial professionals desiring to offer advisory services but lacked administrative time and support. Buckingham continues to actively provide services to its own client base while developing the BAM Advisor Services program. BAM's independent investment advisor clients and Buckingham may potentially compete for advisory clients. Buckingham may also, from time to time, serve as a sub-advisor to BAM's clients pursuant to a separate Investment Advisory Agreement.

Buckingham may provide fully discretionary separate account management services to investment advisor's clients.

See Item 12 for further descriptions of investment and trading operations that discuss certain conflicts of interest presented through the overlap of services provided by Buckingham and BAM. Buckingham and BAM share office space, personnel, trading desks and many other critical functions including management.



### **BAM Risk Management, LLC**

BAM Risk Management, LLC (BAM RM) is a licensed insurance agency. BAM RM offers consulting services with regard to term and guaranteed death benefit life insurance products, property and casualty insurance, long-term care products, disability insurance and fixed annuity products and coordinates the sale of such products. Associated persons of Buckingham may be separately licensed as insurance agents for BAM RM. Investment advisors may, at their own discretion, recommend the services of BAM RM to their clients.

BAM RM and BAM will provide education and training regarding insurance products offered through BAM RM as requested by investment advisors. BAM RM is able to implement recommended insurance transactions for separate and typical commission compensation.

All commissions are paid to BAM RM which may share commissions with appropriately licensed investment advisors or their respective risk management entities. Investment advisors and their clients, however, are not under any obligation to engage these individuals or BAM RM when considering the implementation of insurance recommendations. The implementation of any and all recommendations is solely at the discretion of the investment advisor and its client.

BAM endeavors at all times to put the interest of the clients first as part of BAM's fiduciary duty.

### **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

BAM, together with its affiliate Buckingham (which is the employer of all individuals working for BAM), has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Buckingham's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth Buckingham's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with Buckingham may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of Buckingham that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, Buckingham requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Compliance department. Buckingham also requires such access persons to receive approval from the Compliance department prior to investing in any initial public offerings or private placements.

Buckingham's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. Buckingham requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline. BAM will provide a complete copy of its Code of Ethics to any client or prospective client, or investment advisor's clients upon request.



## Item 12 – Brokerage Practices

As part of its turnkey asset management service, BAM assists investment advisors in arranging for the execution of transactions by entering all orders with broker-dealers. Through BAM, investment advisors may participate in the Schwab Advisor Services (SAS) program offered to independent investment advisors by Charles Schwab & Company, Inc. (Schwab), the Fidelity Institutional Wealth Services (FIWS) program, sponsored by Fidelity Brokerage Services, LLC (Fidelity), and the institutional customer program offered by TD Ameritrade Institutional (TDA). BAM's affiliate Buckingham also participates in the SAS, FIWS and TDA programs. Schwab, Fidelity and TDA offer services to independent investment advisors which include custody of securities, trade execution, clearance and settlement of transactions. Schwab, Fidelity and TDA are independent unaffiliated SEC-registered and Financial Industry Regulated Authority (FINRA) member broker-dealers as well as members of SIPC. BAM has negotiated competitive commission rates and other trading costs with Schwab, Fidelity and TDA applicable to all investment advisors participating in the turnkey asset management service offering. Through BAM, investment advisors may also participate in the TIAA-CREF Financial Advisor Program offered to advisors providing fee-only investment management and may utilize Peoples Benefit Life Insurance Company, a division of AEGON and Jefferson National, for after-tax annuities.

BAM has negotiated competitive commission rates and other trading costs with Schwab, Fidelity and TDA applicable to all investment advisors participating in the turnkey asset management service.


Through BAM, investment advisors may also participate in the TIAA-CREF Financial Advisor Program offered to advisors providing fee-only investment management and recommends after-tax annuities from Peoples Benefit Life Insurance Company, a division of AEGON.

Except for fixed income sub-advisory accounts, BAM does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid for investment advisers' clients' securities transactions. BAM must be directed as to the broker-dealer to be used. In directing the use of a particular broker-dealer, it should be understood that BAM will not have authority to negotiate commissions among various broker-dealers or obtain volume discounts. As such, best execution may not be achieved.

BAM regularly reviews the services and fees offered by custodians in comparison with other institutional service providers. BAM reviews trading costs, execution capabilities and related services for competitiveness.

As a participant in the SAS, FIWS and TDA programs, BAM receives benefits that it would not receive if it did not offer investment advice. BAM may also receive benefits from TIAA-CREF and AEGON. Please see Item 14 for a further description.

For transactions in fixed income sub-advisory accounts, BAM will exercise discretion to select broker-dealers and negotiate transaction costs, which may include commissions, trade away/settlement fees charged by a investment advisor's client's custodian and "mark ups/mark downs" by the executing broker dealer. BAM will select broker-dealers based on its evaluation of the products offered, the brokerage services offered, costs and quality of execution. The reasonableness of brokerage costs and mark ups/mark downs is based on the broker-dealer's ability to provide professional services, competitive execution, expertise in specific securities or markets (securities



availability), price competitiveness, speed of response, operational efficiency, market research, idea generation, bid strength, experience and financial stability, bid strength and other services that will help BAM and investment advisors in providing investment management services to their clients.

Client trades in fixed income or equity transactions may be blocked with transactions where (i) BAM initiates each client transaction, (ii) or client transactions are initiated by BAM, Buckingham or an investment advisor utilizing the back office services of BAM. Block trading will be utilized to seek cost benefits for clients.

In the event block trades are only partially filled, allocations will be made on a fair and equitable basis considering the timing of orders and the ability to pro-rate partial trade fills from brokers and dealers. As necessary, the first order received may be allocated shares on a preferential basis. The trading desk of BAM and Buckingham are a single team handling orders related to BAM, Buckingham and investment advisors utilizing BAM's turnkey asset management services. BAM and Buckingham may also exercise discretion to cross transactions between non-affiliated accounts in situations in which it is determined that such a transaction can be fairly priced for each account and is judged to be in each client's best interest.

BAM does not have any arrangements to compensate any broker-dealer for client referrals.

In its role as advisor to certain ERISA plans under the BAM Retirement Solutions services described in Item 4, BAM does not arrange any securities transactions on behalf of the plans.

### **Trade Errors**

In all circumstances involving trade errors caused by BAM, clients are "made whole." If the correction of the trade error by the firm results in a loss, BAM is responsible for that loss. BAM does not retain any client trade error gains.


In instances where multiple trades are corrected at the same time for the same event, the firm will net the results of each correction against each other. Gains received during these corrections may be used to offset losses resulting from other corrections within the total trade error correction.

BAM may also correct trade errors by reallocating a purchased security to another client(s) account(s) in situations in which BAM determines such allocation will be in the clients' best interest. Such reallocations may prevent BAM from incurring trade error losses.

## **Item 13 – Review of Accounts**

### **Reviews**

With the exception of fixed income sub-advisory accounts, BAM does not regularly review the client accounts of independent investment advisors who contract to use BAM's services. BAM does, however, provide quarterly market reports to investment advisors. BAM also periodically updates simulated strategies that it provides to investment advisors based on changes in risk/return analysis. BAM may also provide updates triggered by changes in the underlying fundamentals of recommended investments.



For fixed income sub-advisory accounts, BAM performs regular reviews of investment advisor's client accounts, which include monitoring the call provisions, maturities and credit quality of investment advisor's client holdings. BAM also reviews accounts for tax-loss harvesting opportunities (if BAM purchased the security or as been provided with a cost basis and trade date of a held security). BAM will communicate relevant information from such reviews and monitoring to investment advisor.

## **Reports**

BAM produces quarterly account statements and reports for investment advisors to present to their clients. Quarterly reports include portfolio performance review, portfolio position analysis, position performance summary and a billing statement. Investment advisors must review these reports and deliver them to their own clients.


## **Item 14 – Client Referrals and Other Compensation**

As indicated under the disclosure for Item 12, BAM utilizes the services of SAS, FIWS and TDA. SAS, FIWS and TDA each provide BAM with access to institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them. The services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

SAS, FIWS and TDA also make available to BAM other products and services that benefit BAM but may not benefit its investment advisor's clients' accounts. Some of these other products and services assist BAM in managing and administering clients' accounts. These include software and other technology that provide access to investment advisor client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of BAM's fees from its investment advisors' clients' accounts; and assist with back-office functions, recordkeeping and client reporting. These custodians may also provide training and education to BAM associates to better interface with the custodial platforms and may occasionally provide business entertainment to BAM personnel. At times, custodians will also pay for expenses (airfare and/or accommodations) associated with such training and education.

Many of these benefits and services generally may be used to service all or a substantial number of BAM's accounts. Offered brokers also make available to BAM other services intended to help BAM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing, research, technology and practice management products or services provided to BAM by third party vendors. SAS also provides BAM with free access to Schwab Performance Technologies PortfolioCenter system which is a technology solution for data management, portfolio accounting and portfolio reporting. This is a direct economic benefit to BAM to not pay for this technology solution. BAM does not enter into any commitments with any brokers for transaction levels in exchange for any services or products from brokers.

While as a fiduciary BAM endeavors to act in its investment advisors' clients' best interests, BAM's requirement that clients maintain their assets in accounts at SAS, FIWS or TDA may be based in part on the benefit to BAM of



the availability of some of the foregoing products, services and expense reimbursement and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

Some of these same benefits may also be available on the TIAA-CREF and AEGON platforms. SAS, FIWS and TDA also provide assistance to BAM by subsidizing events to assist BAM in recruiting independent registered investment advisor clients. TDA, Enterprise Bank and The Business Bank have each individually hired independent contractors to set up technology systems to ensure compatibility with BAM and Buckingham operating systems. Neither Buckingham nor BAM have made any commitment to direct business to any of these companies as a result of this. This benefit provided by these entities benefits BAM and Buckingham and may not directly benefit Buckingham clients' accounts, which may create a potential conflict of interest.


BAM's affiliate, Buckingham Asset Management, LLC also receives from TDA certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Service is a substantial and meaningful direct payment for Buckingham's strategic vendor for portfolio accounting, portfolio reporting, client billing and data integration. BAM utilizes the same platform and therefore also receives the benefit of the Additional Services. TDA provides the Additional Services to Buckingham in its sole discretion and at its own expense, and Buckingham does not pay any fees to TDA for the Additional Services. Buckingham and TDA have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

The receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Buckingham, TDA most likely considers the amount and profitability to TDA of the assets in, and trades placed for, Buckingham and BAM Client accounts maintained with TDA. TDA has the right to terminate the Additional Services Addendum with Buckingham, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TDA to Buckingham, BAM may have an incentive to recommend to its Clients that the assets under management by BAM be held in custody with TDA and to place transactions for Client accounts with TDA. The receipt of Additional Services does not diminish BAM's duty to act in the best interests of its Clients.

BAM also receives software from Dimensional Fund Advisors (DFA), a mutual fund company whose products BAM recommends, which BAM utilizes in forming asset allocation strategies and producing performance reports. Fund companies like DFA and Bridgeway Capital Management (Bridgeway) also provide Buckingham and BAM assistance in the production of seminars, podcasts and educational events. DFA has also provided its own personnel and outside consultants for purposes of developing prospects for BAM, continuing education for existing BAM investment advisor clients and internal strategic planning for BAM.

DFA, through a web-based service, provides referrals of investor clients to BAM's affiliate, Buckingham. DFA makes such referrals to many investment advisors based on the geographic location of the prospective client. DFA does not provide help to Buckingham in recruiting investor clients in any other way.

BAM's website provides a link to Amazon.com and BarnesAndNoble.com for which BAM receives a fee for books purchased through that link.



Speakers from BAM may be offered an honorarium for speaking engagements. It is the policy of BAM to direct the sponsor to donate such honorariums to a 501(c)(3) organization of BAM's choice.

BAM receives promotional (sponsorship and exhibitor) fees from various entities in connection with educational and informational seminars and conferences. BAM offers seminars and conferences to independent investment advisors utilizing BAM's turnkey asset management services. Promotional fees for the seminars and conferences are paid by various entities including broker-dealers and custodians through which BAM may arrange client securities transactions, and third party administration service providers that BAM recommends to certain investment advisor clients' retirement plans. Those entities may make certain employees or other speakers available for informational seminars and conferences at no or reduced cost to BAM.

While BAM does not, directly or indirectly, compensate any person for referrals of investment advisory clients, BAM does have partnerships with professional associations who provide BAM with referrals of potential BAM clients (independent registered investment advisors). BAM may pay a portion of the service fees BAM charges investment advisors to the professional association as part of these referral arrangements.

Adam Birenbaum, BAM's Chief Executive Officer, is a member of the FIWS Advisor Council. While Mr. Birenbaum is not directly compensated for his role on the Advisor Council, FIWS covers all routine and typical travel expenses for Advisor Council members to attend meetings, including hotel and transportation costs. BAM has made no commitments to FIWS in connection with this role.

BAM may also compensate affiliated persons of BAM or an affiliated company of BAM for client referrals. Clients should understand that these persons have an economic incentive to recommend the advisory services of BAM.


### **Item 15 – Custody**

As mentioned in Item 4, BAM provides comprehensive back office support to investment advisors, which includes administrative assistance with qualified custodians to open and maintain investment advisor master accounts and all of the investment advisor's client accounts, including supplying investment advisor with all custodial documentation required to open and maintain accounts.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. BAM urges investment advisers and investors to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. BAM's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

BAM is granted discretion for sub-advisory fixed income accounts. BAM's discretion will be limited to the selection of investment grade fixed income securities for investment advisor's client portfolios. BAM will have no discretion to establish a client asset allocation. BAM will monitor securities within sub-advised fixed income accounts and may recommend sales, as appropriate, to the investment advisor. BAM receives discretion from the independent advisors that hire and retain BAM for such services.



As mentioned in Item 4, when providing BAM Retirement Solutions, BAM exercises discretion to select the mutual funds and/or ETFs available to plan participants. The plan sponsor grants this discretion to BAM in an advisory agreement.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, BAM does not accept the authority to and does not vote proxies. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. BAM, however, may provide advice to clients regarding clients' voting of proxies.

Clients should note that BAM will neither advise nor act on behalf of the investment advisor or their end clients in legal proceedings involving companies whose securities are held or previously were held in the investment advisor's clients' account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, investment advisor may direct BAM to transmit copies of class action notices to the investment advisor, the client or a third party. Upon such direction, BAM will make commercially reasonable efforts to forward such notices in a timely manner.

### **Item 18 – Financial Information**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about their financial condition. BAM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.